

CITY OF DENTON CITY COUNCIL MINUTES

August 11, 2015

After determining that a quorum was present, the City Council convened in a Work Session on Tuesday, August 11, 2015 at 3:00 p.m. in the Council Work Session Room at City Hall.

PRESENT: Council Member Roden, Council Member Johnson, Mayor Watts, Council Member Hawkins, Council Member Briggs, and Council Member Wazny.

ABSENT: Mayor Pro Tem Gregory.

1. Work Session Reports

- A. ID 15-669 Receive a report, hold a discussion, and provide direction regarding current City of Denton facilities and how to proceed with planning for future needs.

Bryan Langley, Assistant City Manager, stated that the objective of the presentation was to provide an overview of key city facilities, describe key issues at each location and provide a recommendation on how to proceed with future facility needs. Regardless of direction, costs would be incurred to renovate, lease, and/or acquire additional space to meet future facility needs. The presentation overview would describe cost and footprint requirements of recent city Hall/Administration facilities constructed around the state; review current issues with City facilities, describe facility vision and provide overview of key design and construction elements, discuss financial capacity and options, and provide recommendation on how to proceed and seek direction from Council.

Construction details from other cities such as Sugar Land, Grapevine, Lewisville, Grand Prairie Public Safety Building, Frisco, Southlake, and Denton County Administration Building were reviewed.

Council Member Wazny stated that she did not see a cost per employee for the cost per building presented.

Langley stated that the cities probably also had other buildings for city employees.

Current Issues with City Hall Facilities

City Hall - challenges included (1) main location for public meetings which often had inadequate space for many meetings; (2) space limitations for other employees, (3) parking limitations, (4) flood plain restrictions, (5) ADA compliant but not ADA friendly, and (6) a high cost to operate and renovate due to architectural integrity concerns.

City Hall West - challenges included (1) not designed for current operations and does not properly align work spaces to enhance productivity; (2) space limitations, (3) customer service impaired due to layout of building/absence of other key departments; (4) heating/cooling difficulties due to split level, (5) parking limitations, (6) ADA compliant but not ADA friendly, and (7) a high cost to operate and renovate due to architectural integrity concerns. The building was also designated as a historic building.

Council Member Wazny asked if there was ever thought given about adding a second floor to the current city hall.

Langley stated that it would not add a high amount of space plus there would still be parking issues.

City Hall East - challenges included (1) separated key functions from other city departments and impaired customer service, (2) parking limitations, (3) Railroad and Exposition parking lots needed substantial redesign and reconstruction, (4) meaningful expansion possible for PD and Courts, but limited for other operations, and (5) ADA complaint but not ADA friendly.

Service Center - challenges included (1) separated key functions from other city departments and impaired customer service, (2) poor accessibility for the public and parking limitations, (3) space limitations, (4) expansion of location did not seem compatible with surrounding neighborhood, and (5) Purchasing function was separated from other administrative functions.

Current Issues Summary - City hall facilities were aging structures, customer service for citizens was impaired by the lack of one key facility, limited/inefficient office space, and a decentralized service model. Demands for public meeting space was strained in numerous facilities, parking at all facilities was limited and the current facilities did not have adequate room to expand as the City grew. Staff was recommending addressing the planning issues holistically rather than focusing just on a particular structure such as City Hall West.

Mayor Watts stated that nothing was addressed with the Civic Center.

Langley stated that this study was primarily looking at the office/service related facility vision and key design/construction elements. The staff proposal was to build a new city hall facility to (1) enhance customer service, (2) serve as a catalyst for more pedestrian oriented, high quality and professional employment focused in the downtown area, (3) develop additional parking options for the downtown area, (4) connect existing city of Denton campus facilities to the rest of the downtown, (5) improve the entryway into Quakertown, (6) purchase and demolish the county building adjacent to the current City Hall and (7) ; create an outdoor public gathering/performance area.

A preliminary vision of department/meeting rooms that would be housed in a new city hall was reviewed. Roughly 125-150,000 square feet would be needed for the departments. Key design and constructions elements were presented which included cost, land acquisition, predesign work and design fees.

Council Member Roden questioned what would be done with the facilities where employees were being relocated from.

Langley stated that City Hall West could be repurposed. City Hall East could maintain some departments and allow for expansions such as a Justice Center.

Council Member Wazny stated that the conversation trigger for this issue stemmed from the meeting at City Hall West with the Planning Department. She felt that meeting demonstrated that Planning needed help right now. The question was how to pay for any type of options.

Langley stated that the City did not have the capacity to issue additional debt to build a new city hall facility. However, additional bonds could be sold with a tax rate increase. The city could also delay the sale of the 2012 and 2014 bond programs in order to provide additional capacity. Other

options to consider were to (1) utilize the Downtown TIRZ for some or all of the costs, (2) sell, repurpose or lease existing buildings to help offset construction costs; (3) consider the use of HOT funds for an entertainment/performance complex; (4) use park land dedication trust funds to improve Quakertown Park entrance near the current City Hall, or (5) explore regional transportation resources to improve McKinney Street.

Short Term Recommendations included (1) leasing a location to house Planning over the next few years with a 5-10 year lease contemplated, (2) re-purposing City Hall West and Old Central Fire Station facilities, (3) pursue the purchase of the Denton County building adjacent to the current City Hall. Long Term Recommendations were to develop a plan for a city hall project to be funded in the next bond program and complete a city hall facility needs assessment.

Council Member Wazny suggested leasing City Hall West instead of selling it with some control on what improvements could be made to the building.

Council Member Johnson stated that deed restrictions could be placed on the property which would help with maintaining the appearance of the building. Leasing would not be functional and the City didn't have to continue to own the building in order to maintain the look and feel of the building.

Mayor Watts stated that the primary reasons for the long term goal was to bring together departments. He would have to be convinced to spend money for a lease. It seemed like an all or nothing approach.

Council Member Roden stated that there were so many contingencies and certain pieces that were crucial to decide a direction before proceeding. He would not be opposed to divesting of some of the buildings. If the City was willing to sell some the buildings it would open a lot of other options.

Council Member Johnson stated that in terms of a short term goal, it was important to remember how the people in City Hall West function or don't function. There was a need to address customer service and efficiency with a potential move. Another question to consider was what would be the down side if any of the buildings were sold. He felt that moving employees out of a city facility and continuing to own it was not viable.

Council Member Wazny felt that it would be a mistake to break up the Planning Department. Move everyone from City Hall West to a new location and not leave some departments behind. She suggested looking at an asset list from the financial end and what kind of deed restrictions could be put on the buildings. Her issue right now was what to do to help Planning and give them the space they deserved.

Council Member Briggs felt that keeping City Hall West would be a good option. She questioned if the City had been approached by a developer who wanted to buy both of the buildings.

Aimee Bissett, Director of Development Services, stated that there was interest in both facilities but a discussion would be better in Closed Meeting on those details.

Council Member Hawkins was worried that Council might be sending a mixed signal to Planning. He wanted to make sure they were consistent with the vision to Denton. He questioned what would be involved in a space study.

Council Member Johnson felt that a plan was needed of what to do with the building and whether the City was willing to fund it or let someone take care of it. The building could be sold with provisions to respect the history of the building.

Council Member Wazny stated that the budget was not concrete and a decision could be made to find money to pay for the provisions. If a lease made sense at this time, Council needed to find the funding for it.

Mayor Watts wanted to make sure everyone had enough information for a long term plan and to fully understand the rational and fiscal implication for a long term plan.

Council Member Roden felt that this should be part of the comprehensive goal and was in favor of continuing to look at the subject. However, he felt the immediate needs were out of context.

Langley stated that just moving the Planning Department did not solve all of the short issues.

Council discussed the proposal for a comprehensive space study in terms of performing the study in-house, whether there were in-house employees with the expertise to perform the study, the cost of the study and what that cost would cover, taking in-house personnel from their normal duties to perform the study, and when the use of a consultant saved money in the long run to get the best objective.

Mayor Watts suggested looking at branding and efficiency as efficiency could be in conjunction with financial impact.

Council Member Johnson suggested including operational expenses such as maintenance and utility expenses. Think what would be beneficial for usable square feet per employee.

Council convened in Closed Session to discuss the items listed below.

1. Closed Meeting:

- A. ID 15-651 Certain Public Power Utilities: Competitive Matters --- Under Texas Government Code, Section 551.086.

Receive competitive public power competitive information and financial information from staff regarding the proposed FY 2015-2016 operating budget for Denton Municipal Electric ("DME") including without limitation, proposed rates for DME for FY 2015-2016, expected revenues, expenses, commodity volumes, and financial commitments of DME; discuss, deliberate and provide staff with direction.

- B. ID 15-740 Deliberations Regarding Real Property Under Texas Government Code Section 551.072; Consultation with Attorneys Under Texas Government Code Section 551.071

Receive information from staff, discuss, deliberate and provide staff with direction regarding the potential acquisition, exchange, lease or value of real property located generally in the 200 block of W. Mulberry and 200 block of N. Elm in the City of Denton, Denton County, Texas. Consultation with the City's attorneys regarding legal issues associated with the potential real property matter where a public discussion of these legal matters would conflict with the duty of the City's attorneys to the City of Denton and the Denton City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas, or would jeopardize the City's legal position in any administrative proceeding or potential litigation.

Following the completion of the Closed Meeting, the Council returned to Open Meeting and continued with the Work Session items.

- B. ID 15-641 Receive a report, hold a discussion, and give staff direction regarding the 2015-16 Proposed Budget, Capital Improvement Program and Five-Year Financial Forecast.

Chuck Springer, Director of Finance, stated that he had no formal presentation but would facilitate discussion if needed from the Council's prior presentation. Questions from the August 6th meeting would be presented at the August 18th meeting.

Council Member Roden stated that at the end of the first Work Session item, Council had indicated that they would be discussing budget implications in the Closed Meeting and could provide direction to staff in the Open Meeting. He felt that the Council would like to direct staff to look into possible leasing options to take care of the staff at City Hall West and to come back to Council with possible contractual options.

The Council agreed with that direction.

Council Member Roden questioned if a discussion regarding the Chamber contract would be timed to go along with the budget.

City Manager Campbell stated that the Chamber contract was renewed on an annual basis but Council could have a discussion between now and when the budget was adopted.

Aimee Bissett, Director of Development Services, stated that the Economic Development Partnership Board would be considering renewal of contract and forwarding a recommendation to Council in the near future. A Work Session item could be added to an agenda during the budget discussions for consideration. Council could proceed with the contract renewal and come back with further discussions.

Council agreed with proceeding with that procedure.

Council Member Hawkins asked about the difference between the current budget and the amount of growth and how that money would be spent.

Springer stated that the proposed tax rate included those revenues as non-departmental with three options on how to spend the additional funds. Council would need to determine what to do with that revenue.

Council Member Wazny questioned the proposed 3% staff increase and suggested a 1.5% increase versus the 3% increase. Provide for a merit pay increase up to 3%.

Springer stated that compensation was not an across the board increase. It was merit based for non-civil service which it had been for the past 3 years. The Police and Fire Department were under meet and confer agreements.

Council Member Wazny requested to see the difference between 1.5 and 3% in raw numbers.

Council Member Briggs asked about the resolution on the tax rate and whether that was the tax rate increase that the public voted on.

Springer stated that the proposed increase was related to debt service that the public voted on for the first issuance of the bond election. It estimated about a 1.5 cent increase for the 6 year program which was less than estimated for the bond program.

Council Member Roden asked if there was anything in the budget relative to assist with additional parking options in the budget. He stated that Council had a discussion on a pedestrian crossing on McKinney to connect the two large parking spaces. He questioned if there was any movement on that and any funding for that.

Mark Nelson, Director of Transportation stated that staff had discussions with Engineering and had a preliminary design for a midblock crossing. However, it was not at a point to bring back for a final permitting process.

Council Member Roden asked what was holding up the project.

Nelson stated that Engineering was still looking at finalizing it to bring to the Mobility Committee or for an Informal Staff Report for Council.

Council Member Roden stated that there was nothing in budget at this time for the crossing.

Nelson replied correct.

Council Member Roden asked for an estimate to help with a budget discussion.

Council Member Johnson stated that a simple short term solution was that on either side of the street light up the street at night and paint a crosswalk. Rather than finding long term solution at this time do a short term solution to open up the parking lots.

Nelson stated that a concern with a crosswalk was getting a safe harbor in the middle of the street due to the volume of traffic in both directions.

Council Member Roden asked for a report on spots for bike racks and what would be the funding for the next fiscal year.

Mayor Watts asked for a report on the 3% merit in terms of what was budgeted the last 2 preceding years and what was allocated. Also look into the reviews not done and how to determine the amount due to reviews not being completed.

Mayor Watts indicated that the Animal Adoption Center had new positions filled with mid-budget allocations. He questioned where in the budget those positions would be moving forward and how they would be allocated.

Springer stated that those funds were built into those budgets and would be on going for the next year budget.

Mayor Watts asked for a copy of the slides showing the summary of the three options sent to Council and a slide for one-time expenses and a summary of the fund balance for the past 5 years and what it was now. He also asked for a report on any economic development 380 agreements in the Economic Development budget and whether there was a way to have these as a line item or a different category for those agreements.

Council Member Briggs stated that staff had prepared an Informal Staff Report on damage to Quakertown Park and questioned if that amount was included in the budget to fund those repairs.

John Cabrales, Assistant City Manager, stated that the cost was being absorbed by the Parks Department in this year's budget.

1. ITEMS FOR INDIVIDUAL CONSIDERATION

Resolution No. R2015-019

- A. ID 15-663 Consider approval of a resolution of the City Council of the City of Denton, Texas placing a proposal on the September 15, 2015, City Council public meeting agenda to adopt a 2015 Tax Rate that will exceed the lower of the rollback rate or the effective tax rate; calling two public hearings on a tax increase to be held on August 18, 2015, and September 1, 2015 and calling a budget public hearing on the Fiscal Year 2015-2016 Annual Program of Services of the City of Denton to be held on September 1, 2015; requiring publication of notices of the public hearings in accordance with the law; requiring the posting of the notices of the public hearings on the City's Internet website; requiring the posting of the notices on the City's public access channel; and providing an effective date.

Chuck Springer, Director of Finance, stated that State law required two public hearings on the tax rate if it exceeded the lower of the rollback or effective rate. This resolution also called a public hearing on the budget which was also required by State law and City Charter.

Council Member Hawkins motioned, Council Member Roden seconded to approve the resolution. On roll call vote, Council Member Briggs "aye", Council Member Roden "aye", Council Member Johnson "aye", Mayor Watts "aye", Council Member Hawkins "aye", and Council Member Wazny "aye". Motion carried unanimously.

Ordinance No. 2015-237

- B. ID 15-688 Consider adoption of an ordinance authorizing the City Manager to execute an Interlocal Agreement with Denton County, Texas under Section 791.001 of the State of Texas Government Code, to authorize Denton County to install the "Downtown Square Camera System" onto Denton Municipal Electric light poles located near the Denton County Courthouse; authorizing the expenditure of funds therefor; and declaring an effective date (File 5905).

Melissa Kraft, Director of Technology Services, stated that four cameras would be installed at each corner where there was Wi-Fi access. Information from the cameras would be sent to the City's 911 dispatch center and to the Denton County Sheriff's office.

Council Member Roden asked about the budget implications.

Kraft stated that Denton County was providing the cameras while the City would be providing the electrical and network connectivity. There would be no additional cost for the City.

Council Member Roden questioned the purpose of the cameras.

Kraft said they would be beneficial for general traffic and general safety. The cameras could be rotated every so often for different views.

Council Member Briggs questioned why they needed to be on the Square and felt it might be an invasion of people's privacy.

Kraft stated that the cameras could be faced towards the buildings to help deter vandalism or outward for larger crowds in the area.

Lee Howell, Police Chief, stated that the cameras would be beneficial for a number of reasons. One reason was that they had the potential for solving or preventing crime. They were not for the general monitoring of the public and could be used for playback for a crime in the area.

Council Member Johnson felt that the property owners in the downtown area had a huge problem with vandalism which these cameras might help act as a deterrent.

Council Member Briggs felt that she did not want the first impression for visitors in the area that there was crime in the area of the Square.

Mayor Watts stated that he did not have an issue with the cameras as long as they provided usable information. He wanted to make sure there was adequate lighting to see what the cameras were looking at.

Council Member Roden motioned, Council Member Wazny seconded to adopt the ordinance. On roll call vote, Council Member Briggs “nay”, Council Member Roden "aye", Council Member Johnson "aye", Mayor Watts "aye", Council Member Hawkins "aye", and Council Member Wazny "aye". Motion carried with a 5-1 vote.

2. **CONCLUDING ITEMS**

- A. Under Section 551.042 of the Texas Open Meetings Act, respond to inquiries from the City Council or the public with specific factual information or recitation of policy, or accept a proposal to place the matter on the agenda for an upcoming meeting AND Under Section 551.0415 of the Texas Open Meetings Act, provide reports about items of community interest regarding which no action will be taken, to include: expressions of thanks, congratulations, or condolence; information regarding holiday schedules; an honorary or salutary recognition of a public official, public employee, or other citizen; a reminder about an upcoming event organized or sponsored by the governing body; information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the governing body that was attended or is scheduled to be attended by a member of the governing body or an official or employee of the municipality; or an announcement involving an imminent threat to the public health and safety of people in the municipality that has arisen after the posting of the agenda.

Council Member Wazny requested revisiting the impact fee map zones, the City’s ability to increase or decrease impact fees to encourage or discourage development in certain areas and whether that was legal.

Council Member Wazny requested revisiting a citizen's ability to speak at work sessions.

Council Member Briggs requested looking in the truancy issue as to whether it was a civil or criminal offence.

Council Member Johnson requested a discussion on street impact fees and priorities on street replacements.

Council Member Johnson requested a policy discussion on damage to parks due to rentals for an event.

With no further business, the meeting was adjourned at 7:00 p.m.

CHRIS WATTS
MAYOR
CITY OF DENTON, TEXAS

JENNIFER WALTERS
CITY SECRETARY
CITY OF DENTON, TEXAS